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MAYOR JERRY SANDERS
FACT SHEET

**SAN DIEGO SUCCESSFUL IN BID TO
EXPAND VITAL JOB CREATING PROGRAM**

Regional Enterprise Zone to Expand North of I-8

Mayor Jerry Sanders announced today that San Diego has won state approval to expand a highly-successful regional economic incentive program that to date has helped create over 7,300 new jobs in the region.

In an effort to ensure that business expansion, attraction, and retention efforts continue and increase in San Diego, the San Diego Regional Enterprise Zone (SDREZ), a regional collaboration between the cities of San Diego, Chula Vista, National City and the Unified Port of San Diego, applied for and received approval from the State's Housing and Community Development Department (HCD) on September 4, 2012 to expand the Enterprise Zone to include prime industrial land north of the Interstate 8 as well as parts of the eastern portion of Chula Vista.

Businesses that operate in an Enterprise Zone can claim state tax credits for wages paid to employees as well as for purchasing certain manufacturing, data processing, and communications equipment.

"City staff, together with our partners, worked carefully to evaluate and select strategic, industrial property and put forward a compelling application that would give the region the best opportunity for approval to expand the zone," said Mayor Sanders. "Enterprise Zones are crucial because they are one of the most valuable economic development tools we have to attract, and in some cases, retain businesses here in the region, and the State for that matter."

Without the commitment to seek expansion of the Enterprise Zone into the northern industrial parks of Kearny Mesa, Mira Mesa, and Rancho Bernardo, San Diego might not have attracted, expanded, or retained four major companies: ATK, Kyocera, Soitec, and Shire. They had all indicated that the promise of the Enterprise Zone was an important factor in their decision to locate or expand their company in San Diego, beating out Utah, Arizona, and Massachusetts.

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The total combined investment in the region by these four companies is approximately \$312 million with 866 jobs that has been or will be created, most of which will be middle-income manufacturing jobs.

These four companies are in high-tech, capital-intensive industries that have an average job multiplier of six indirect jobs for every one direct job created, which should result in the creation of approximately 5,000 additional retail, wholesale, and service sector jobs in other industries for the region.

California's Enterprise Zone program continues to be in the spotlight as Governor Brown has indicated that changes to the program are needed to sustain its longevity. Although no substantive changes to the program were made during the recently-adjourned legislative session, HCD is working on regulatory changes to the program that is expected to be released in the fall.

“I hope the folks in Sacramento are hearing this message loud and clear,” said Sanders. “But for the Enterprise Zone, California might not have been successful in getting four multi-national corporations to build or expand base-sector manufacturing operations here. All four considered building their manufacturing plants in three other states which have been very successful in pulling jobs and taxable capital investments out of California.”

The SDREZ was granted conditional designation to operate as an Enterprise Zone in 2006 receiving final designation from HCD in April of this year. Since 2007;

- Approximately 920 local companies have used the program to hire over 31,600 local workers paying them an average wage of \$11.30 per hour, 141% higher than California's minimum wage
- 13% of the employees hired or retained during this same period were veterans, public-assistance recipients, ex-offenders, dislocated workers, and/or economically disadvantaged individuals
- 87% of the employees hired reside in a targeted employment area defined as those census tracts designated by the U.S. Department of Housing and Urban Development as having at least fifty-one percent of its residents of low or moderate income levels

The City of San Diego's Office of Economic Growth Services, in conjunction with its regional partners, administers the program. Staff provides businesses and consultants with free technical assistance and consultation regarding enterprise zone eligibility requirements and guidelines.

Additional business retention and attraction support is provided by the San Diego Regional Economic Development Corporation, the South County Economic Development Council, and local and regional chambers of commerce.

Information on the San Diego Regional Enterprise Zone program is available on the City's website at <http://www.sandiego.gov/economic-development/industry/enterprisezones.shtml> or by contacting Lydia Moreno, Business Incentives Program Manager, at (619) 236-6320.

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